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INFORMATION REPORT

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SUPPLEMENT TO
REPORT NO.

COUNTRY Rumania

SUBJECT The Chemical Complex at Ucea De Sus
District of Fagara, Rumania

PLACE

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ACQUIRED [REDACTED]

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1. On 19 Dec 38, the Rumanian State, represented through the Ministry for Military Dotation, concluded a Protocol with the German Planning and Construction Company Ferrostaal AG at Essen for the construction of two plants; one producing nitrocellulose and the other gunpowder. The Ferrostaal Company has no plants of its own; its main business, before World War II as well as today, is to plan the construction of industrial plants, to draw the blueprints and technical plans required, to place the orders for manufacturing the machines with main contractors and sub-contractors, to supply the technical and engineering skills as well as to assemble the machinery.
2. The Protocol of 1938 was replaced by a Contract of 18 Aug 39 that was again revised and enlarged on 24 May 40. The latter version provided for the construction not of only two, but of nine plants, a Chemical complex, located at Ucea de Sus. This complex embraced the following plants:

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- (a) A nitrogen plant with a producing capacity of 60 m tons/day;
 - (b) An ammonia plant of 18 m tons/day capacity;
 - (c) An oxygen plant;
 - (d) A nitrocellulose plant with a daily capacity of 40 m tons;
 - (e) A gunpowder plant of 20 m tons/day;
 - (f) An ether factory of 700 liter/hour capacity;
 - (g) An alcohol rectifying plant;
 - (h) A thermo-electric power plant of 9,000 kw, including an additional Diesel group of 750 hp;
 - (i) Water installations.
3. In addition, the contract foresaw the construction of further installations, of an integrating character, required for the functioning of the whole chemical complex.
4. Finally, a supplementing contract concluded with the same German company on 23 Nov 43, foresaw the completion of the chemical complex at Ucea with two additional plants:
- (a) A sulfuric acid plant with a producing capacity of 36 m tons/day of oil of 65% SO₃ free, and
 - (b) A concentration station capable of concentrating 35 m tons of sulfuric acid daily from 70 to 96% purity.
5. In administrative language, these contracts with Ferrostaal were known as the Rupul Contract.
6. During World War II many German plants and smaller manufacturers were ordered by the German Government to continue the construction of the machines for this Rumanian chemical complex, as directed by Ferrostaal. The German plants, however, were over-charged by armament orders to such an extent that, in spite of the pressures coming from various sides and the undeniable good will of most contractors and sub-contractors, little could be achieved. In

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Before the first Allied bombardments of 1943, there was some progress made in this direction. Afterwards, the situation became too critical in Germany to expect any progress in the construction of the special machines for Ucea. It was understood at that time that Hitler promised Marshal Antonescu to speed up the Ucea deliveries. This was a great personal favor to the latter, as all the other deliveries to friendly and foreign countries were cancelled for lack of plant capacity and manpower. Hitler made a similar promise to Mussolini for the delivery of machines for the construction of an industrial complex in Italy which had also a peaceful character. Almost all German plants working for the Ucea complex were, at the same time, working for the Italian project. When Italian officials inspected the plants with a view to press for a speedy delivery of their machines, the German managers were able to prove that right at that very moment a part of the plant's capacity was busy with the Italian orders. When Rumanian officials came by, the same managers proved that they were working solely for the Rumanian project. When, however, both teams had left the plants, everything was shelved and everybody in the factory worked only for German armament.

7. This will explain why only a small fraction of the installations contracted to be delivered for the construction of the Ucea complex were actually supplied by Ferrostaal before the conclusion of the Armistice with Rumania 23 Aug 44. The trouble was that the few installations delivered and transported to the construction site were token deliveries for each of the 11 plants, hence, not even one of those plants could be assembled and put in operation. In addition, Ferrostaal did not supply the Rumanian Government with any of the blueprints, technical computations

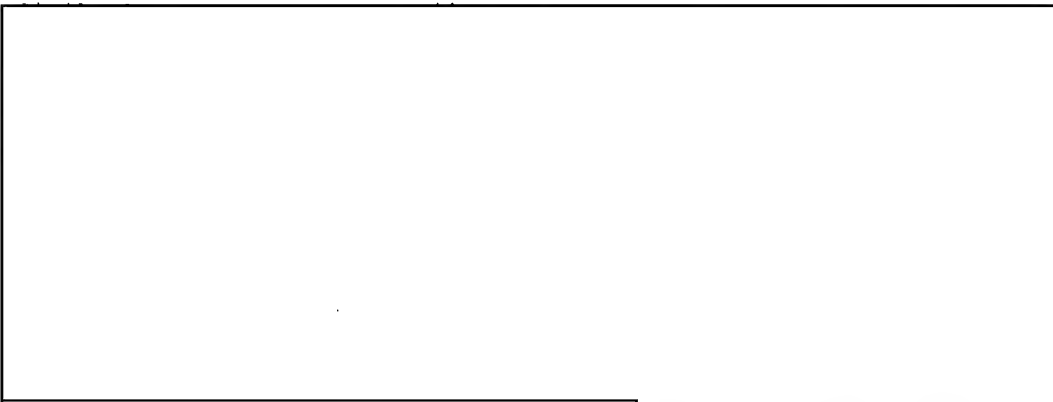
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and instructions, and only seven or eight German technicians were caught by the events of August 1944 in Rumania and even they could not be of any assistance as none of them was an engineer or had much experience in assembling machines.

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 The topography of Ucea,
 is sketched on the
attached, /see Enclosure (A)/.

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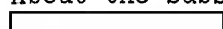
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This coincided with the mounting tension between East and West. It may, therefore, be presumed that none of the missing installations has been supplied by the West German industries. The greatest part of these installations cannot be produced in the Satellite area. Some of them might have possibly been produced within this area if the plans and blueprints had been available.

12. About the subsequent evolution of the Ucea project   the unfinished Ucea project was included, (through an additional agreement of August 1949 between the Soviet and the Rumanian Governments) in the SOVROMCHIM, thereby becoming a joint Soviet-Rumanian property. After almost three years of discussions, planning and unsuccessful efforts, the USSR obviously gave up the idea of completing the Ucea installations with Soviet machines, and found a new solution. In the summer of 1952, Rumania and Hungary were instructed to establish

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a joint company, the ROMACHIM, with a twofold purpose: On the one hand, to finish some of the installations at Ucea and start the production in two or maybe three, plants, in exchange therefor, Rumania would supply Hungary with methane gas as raw material for the new chemical center built in Hungary on the shores of the Tisa River. The gas pipelines start from the gas wells at Copsa Mica. According to news gathered from Hungarian and Rumanian publications, last summer [] the laying of the gas pipelines was in full swing, yet still close to the Copsa base. At about the same time the Rumanian Government claimed that production of some undetermined chemical items started at Ucea de Sus.

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13. At the time that ROMACHIM was established, another joint company was founded, of course under Soviet direction, between Rumania and Germany. Its object is, according to official sources, reciprocal help for encouraging production of chemical substances. It may be presumed that Eastern Germany undertook to supply some of the machines originally ordered by Ferrostaal to contractors and subcontractors of the Ucea project, now located in the Soviet Zone, and thus help the completion of the Ucea plants. [] during this summer [], the explosives (gunpowder) plant at Ucea, as well as a plant for synthetic rubber, was completed. It may be presumed that East Germany may have contributed some of the installations required to complete these plants and probably some technical skill too, in exchange for a part of the output of the synthetic rubber plant.
14. The establishment of the two joint companies between Rumania on the one side and Hungary and East Germany on the other, illustrates perfectly the inexhaustible Soviet resourcefulness and ability to shift her responsibilities to her Satellites. Some of the machines which the USSR presumably undertook to deliver for the completion of Ucea when SOVROMCHIM was established, will now be delivered by Hungary and Germany, against Rumanian methane gas and finished chemical products. At the same time, Ucea remains a component of the SOVROMCHIM, hence a joint Soviet-Rumanian property. And whatever is produced at Ucea will be shared with the USSR at no cost to the latter. The share cashed in by the USSR is thus produced by the common effort of three Satellites.
15. Yet in spite of all this Soviet prestidigitation, the Ucea chemical complex cannot be completed under the present regime as it was blueprinted in the Ferrostaal contracts. The machines and installations which were not delivered until August 1944 are much too complex to be manufactured by any of the Satellites (even by the Skoda Works). On the other hand, only a few installations of a secondary importance were delivered before August 1944. To manufacture and assemble the bulk of the installations still due, it was necessary to put together the effort, technical knowledge and plant capacity of such giant German industries as Gute-Hoffnungshutte, Krupp, Allgemeine Elektrizitat Gesellschaft, Siemens-Halske, Mannesmann, F Uhd, K Linde, MAN, etc, as well as the technical capacity of Ferrostaal and BAMAG-Meguina. There are no duplicates of such industries on the whole Continent.

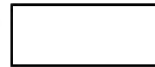
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Enclosure (A): Sketch prepared by Source showing the location of the Ucea chemical complex.

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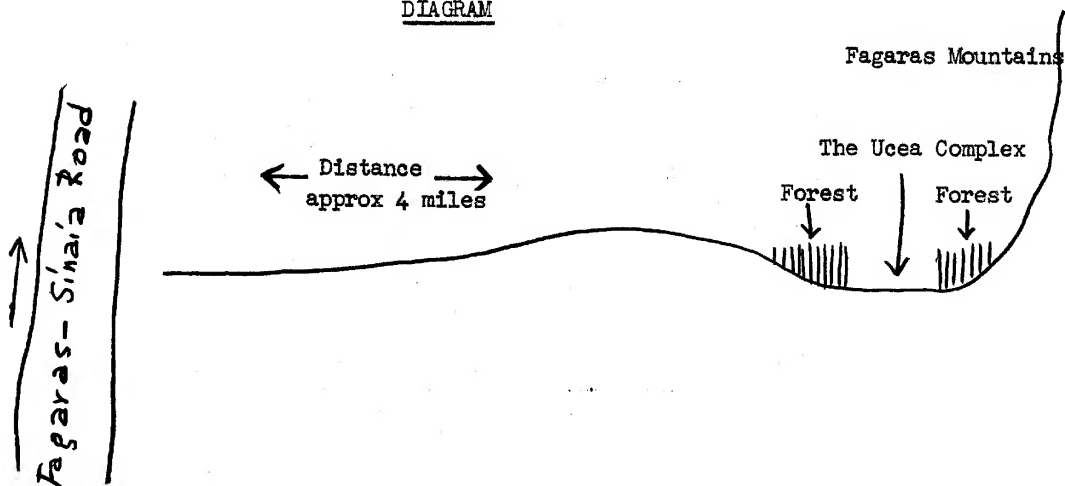
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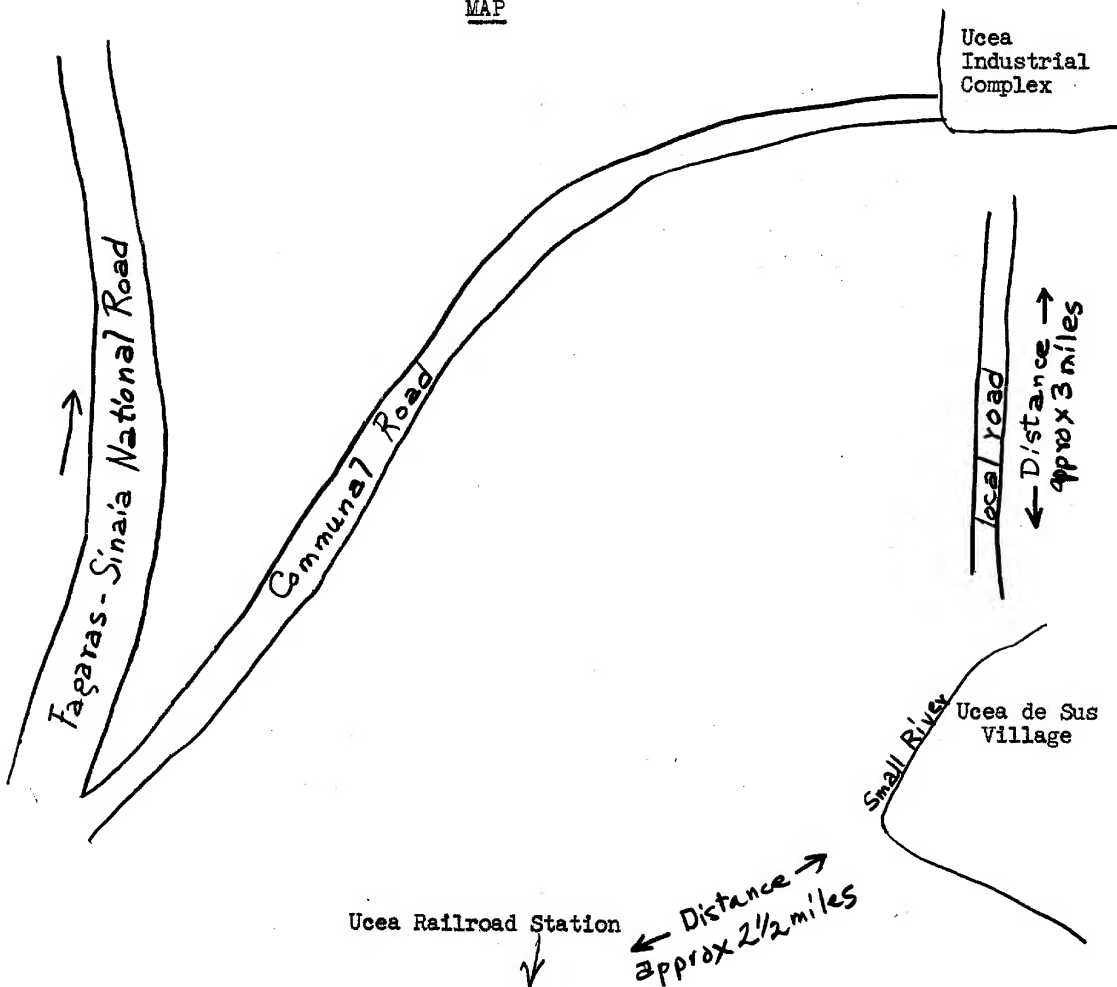


SKETCH PREPARED BY SOURCE SHOWING THE LOCATION OF THE UCEA CHEMICAL COMPLEX 25X1A

DIAGRAM



MAP



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